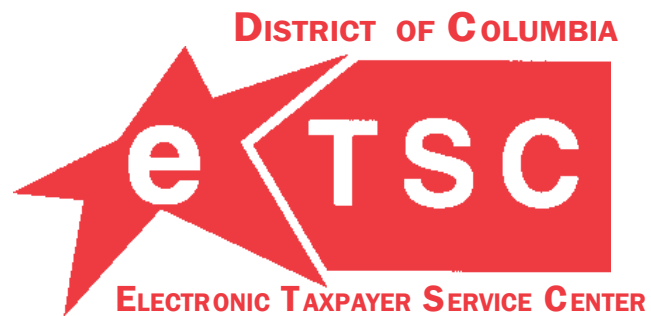


2004

D-20

**Corporate Franchise Tax
Forms and Instructions**

Secure - Accurate - Convenient...



**File Your Estimated
Tax Payments
Electronically Today!
www.cfo.dc.gov/otr**

Any voucher that is \$25,000 or more, must be filed electronically.

☐ **Estimated tax penalty to be enforced
(see page 6)**

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If you need to file any of the following:

- Form FP-31 Personal Property Tax Return
- Form FR-800A or 800M Sales and Use Tax Return (Annual or Monthly)
- Form FR-900A or 900M Employer's Withholding Tax Return (Annual or Monthly)

Call (202) 727-4TAX(4829) or visit our website www.cfo.dc.gov/otr

Send in your original DC return, not a copy. Fold your return once. Be sure to keep a copy for your records.

Need assistance?

File or pay online: www.cfo.dc.gov/otr

Get tax forms

Download forms at www.cfo.dc.gov/otr

Request forms by fax: 202-727-4TAX(4829) (option 1)

Request forms by mail: 202-442-6546

Pick up forms:

Office of Tax and Revenue

941 North Capitol St NE Lobby
8:15 am–4:30 pm

Recorder of Deeds Building

515 D St NW Lobby
8:30 am–4:30 pm

Penn Branch

3220 Pennsylvania Av SE
8:15 am–4:30 pm
Tuesdays & Thursdays

Reeves Center

2000 14th St NW Lobby
7 am–7 pm

Wilson Building

1350 Pennsylvania Av NW
7 am–7 pm

One Judiciary Square

441 4th St NW Lobby
7 am–7 pm

Municipal Center

300 Indiana Av NW Lobby
6:30 am–8 pm

MLK Jr Memorial Library

901 G St NW
Sunday, 1-5 pm
Monday–Thursday 10 am–9 pm
Friday, Saturday 10 am–5:30 pm

Ask tax questions

Contact our Customer Service Call Center: 202-727-4TAX(4829)

Regular hours

8:15 am–4:30 pm
Monday–Friday

Extended hours

March 31–April 14 - 8:15 am–6 pm; April 15 - 8:15 am–8 pm
Monday–Friday

Ask tax questions; get free tax preparation help

Visit our Walk-In Center, 941 North Capitol St NE 1st floor

Regular hours

8:15 am–4:30 pm
Monday–Friday

Extended hours

March 31–April 14 - 8:15 am–6 pm
Monday–Friday
April 15 - 8:15 am–8 pm

Saturdays

April 2 & 9 - 9 am–1 pm

Visit our Penn Branch Satellite Center, 3220 Pennsylvania Av SE

Regular hours

8:15 am–4:30 pm Tuesdays & Thursdays

Need help with this form? Come to our Walk-In Center, at 941 North Capitol St NE.

Are you unable to hear or speak? Call the DC Relay Service, 202-855-1234.

[Chinese/中文] 您需要協助閱讀或了解英文嗎？請致電 202-727-4829 或請到 941 North Capitol St NE，要求免費語言熱線(Language Line)口譯員協助您。

[Korean/한국어] 영어를 읽거나 이해하기 위해 다른 사람의 도움이 필요하십니까? 202-727-4829 번으로 전화하시거나 941 North Capitol St NE 를 방문하십시오. 귀하를 도와드릴 무료 랜귀지 라인(Language Line) 통역사를 요청하십시오.

[Spanish/Español] ¿Necesita ayuda para leer o entender inglés? Llame al 202-727-4829 o venga a 941 North Capitol St NE. Pida que le asignen un intérprete de la Línea de los Idiomas (Language Line) para que le ayude, sin costo alguno.

[Vietnamese/Tiếng Việt] Quý vị có cần giúp đỡ để đọc và hiểu Anh ngữ không? Xin gọi 202-727-4829 hoặc đến 941 North Capitol St NE. Yêu cầu có được thông dịch viên Đường Dây Ngôn Ngữ (Language Line) để giúp đỡ miễn phí cho quý vị.

Who must file a Form D-20?

Generally, every corporation must file a Form D-20 (including small businesses, professional, and S corporations) if it is carrying on or engaging in any trade, business, or commercial activity in DC or receiving income from DC sources, including activities in DC that benefit an affiliated entity of the taxpayer.

- You do not have to file if the corporation has been granted an exemption. If you are an exempt organization and you have unrelated business income, as defined in Internal Revenue Code (IRC) §512, you must file a Form D-20, by the 15th day of the fifth month after the end of your tax year. You are subject to the minimum tax of \$100.
- Your corporation's activities in DC conducted by your employees or through agents or other representatives, determine if you are carrying on or engaging in a trade or business in DC.
- Corporate general and limited partners of a partnership that files a Form D-30 Unincorporated Business Franchise Tax Return are considered to be engaging in a trade or business and are required to file a Form D-20. Use Line 24 (Other Deductions) to deduct the corporate partner's distributive share of income on which the unincorporated business paid tax.

If you perform services for subsidiary corporations, you are carrying on a trade or business. Dividends you receive from subsidiaries are business income subject to taxation.

A corporation is required to file a Form D-20 if it:

- Has or maintains an office, warehouse, or other place of business in DC; or
- Has an officer, agent, or other representative with an office or other place of business in DC.

The words "trade or business" do not include sales of tangible personal property by a corporation if the corporation:

- Does not have or maintain an office, warehouse, or other place of business in DC;
- Does not have goods in DC in a warehouse or on consignment (or similar agreement); and
- Does not have an officer, agent, or other representative with an office or other place of business in DC.

A corporation that engages an independent agent or representative who solicits orders in DC for more than one principal and who holds himself/herself out as such must file a DC Form D-20.

Treat income from sales of tangible personal property to the United States Government as income from a DC source unless the:

- Corporation's principal place of business is outside DC;
- Property is delivered from outside DC; and
- Property is for use outside DC.

It is not necessary for a corporation to have an office or other place of business in DC in order to be required to file a DC franchise tax return. You must file a D-20 return if you:

- Derive income from work done or service performed in DC;
- Derive income from any type of activity in DC, including sales of tangible personal property; or
- Receive income from DC sources.

An organization recognized as exempt from DC taxes must, in order to maintain its tax-exempt status, send a copy of its IRS Form 990, 990PF, or 990EZ to: Office of Tax and Revenue, PO Box 556, Washington DC 20044-0556.

If you are a Political Action Committee (see IRC 527), your taxable income is subject to tax as described, without regard to a specific deduction. Report this tax on Form D-20, the minimum tax requirement of \$100 applies.

When and where should you file your Form D-20?

You must file your return and pay any tax due by:

- Calendar year filer, March 15th, or
- Fiscal year filer, the fifteenth day of the third month after the tax year closes.
- If the due date falls on a Saturday, Sunday, or legal holiday, the return is due the next business day.

Mail the return and payment to the Office of Tax and Revenue, PO Box 601, Washington DC 20044-0601. Make the check or money order payable to the DC Treasurer. Write your FEIN, D-20, and the tax year on the payment.

Extension of time to file

You may request an extension of time to file your return by filing DC Form FR-128 (copy included) by the return due date. You must pay any tax liability with the extension request, otherwise, the request will be denied. Do not use the federal extension form for DC tax purposes.

How can you avoid Penalties and Interest?

To avoid penalties and interest, file your return on time

OTR charges a 5 percent per-month penalty for failure to file a return or pay any tax due on time. The penalty is calculated on the unpaid tax for each month or part of a month that the return is not filed or the tax is not paid. The maximum penalty is an additional amount equal to 25 percent of the tax due.

You will be charged interest of 10 percent per year, compounded daily, on any tax not paid on time. Interest is calculated from the due date of the return to the date when the tax is paid. Interest accrues on any underpayment of tax even if you have an extension to file your return.

Electronic filing required

If your tax liability exceeds \$25,000 you must file electronically. See www.cfo.dc.gov/otr.

Underpayment penalties

There are penalties for *underpayment* due to *negligence*, *substantial understatement* of franchise tax liability, and *substantial valuation misstatement*.

- *Negligence* means failure to make a reasonable attempt to comply with tax provisions or failure to exercise ordinary and reasonable care in return preparation without intent to defraud.
- A *substantial understatement* of franchise tax liability occurs when the understatement is more than the greater of 10 percent of the tax liability on the return for the tax year or \$4,000. The penalty is an additional amount equal to 20 percent of the portion due to negligence.
- A *valuation misstatement is substantial*, if the correct valuation differs by 200 percent or more from the returns tax liability. This penalty is an additional amount equal to 20 percent of the underpayment.

- A *valuation misstatement is gross* if the correct valuation differs by 400 percent or more from the amount on the return. This penalty is an additional amount equal to 40 percent of the underpayment due to the misstatement.

Underpayment of estimated tax

OTR will charge 10 percent per year, compounded daily, on underpayments of estimated franchise tax installment payments. The charge is computed from the installment payment due date to the date paid. It is in addition to the penalty imposed for false statements. This charge will be assessed automatically.

Paid tax preparer penalty

Penalties ranging from \$50 to \$1000 each are assessed if a paid tax preparer:

- Prepares a return or refund claim based on an unrealistic position;
- Should have known the applicable law or regulation;
- Does not adequately disclose relevant facts for the position;
- Willfully attempts to understate tax liability; or
- Fails to sign a return or refund claim.

Charge for dishonored checks

You will be charged \$65 if your check is returned to us.

Fraud penalty

We will add a 75 percent penalty for fraud. If any part of an underpayment is due to fraud, we will presume the entire underpayment is due to fraud. You have the burden of proof to show that it is not due to fraud.

Which other DC forms may corporations need to file?

Qualified high technology companies (QHTC)

If you are a QHTC, you may be eligible for additional credits. You must file the supporting forms to be eligible for these credits. For forms and details, see the publication FR-399 Qualified High Technology Companies. This publication is available at www.cfo.dc.gov/otr. Fill in the QHTC oval on page 1 of the Form D-20.

Consolidated Returns

Corporations in an affiliated group, as defined in IRC §1504(b), may file a Form D-20 and report the consolidated DC taxable income of all group members. If a group has elected to file a federal consolidated return and their election is revoked or terminated, the DC election will automatically be revoked or terminated. In tax years after a group files a consolidated return, any corporation with income from DC sources that becomes a group member is deemed to have waived any objection to filing a consolidated DC return. All affiliated group members are jointly and severally liable for the taxes, interest, and penalties that apply to the group. We may require a consolidated DC return to prevent tax evasion or to properly reflect the taxable income attributable to business conducted in DC.

If a corporation belongs to an affiliated group for part of a year, include its DC income during the time it belonged.

To file a DC consolidated return, the affiliated group must:

- File a federal consolidated return under IRC §1501.
- Complete Forms D-20 C, Election to File a Consolidated Corporation Franchise Tax Return and D-20 AG, Affiliated

Group Schedule. Each member of a DC affiliated group must have income from DC sources and complete a Form D-20 CS, Authorization and Consent of a Subsidiary Corporation to be included in a Consolidated Corporation Franchise Tax Return. These forms are included in this booklet. Attach the forms to your D-20 return.

A company claiming QHTC tax benefits *cannot* be part of a DC consolidated tax return.

Eliminate all intercompany transactions before determining DC apportionment factors. An intercompany transaction is one between corporations belonging to the same DC affiliated group immediately before and after the transaction. Use IRC regulations under §1.1502 et seq. and interpretations about intercompany transactions to determine the DC affiliated group's taxable income.

Any deferred gain, loss or deduction from a prior transaction with a DC affiliated group member becomes taxable if that member ceases membership in the group or the asset is transferred to a corporation that is not a member of the DC group.

Prepare all supplementary and supporting schedules in column form, one column for each corporation. On the supporting schedules, include columns for: totals of like items before adjustments are made; intercompany eliminations and adjustments; and totals of like items after giving effect to eliminations and adjustments.

If you file a DC consolidated return, fill in the consolidated return oval on page 1 of the D-20. Using the D-20 AG provide a list of all DC affiliates in the consolidated filing group and their Federal Employer Identification Numbers (FEIN). Attach the D-20 AG to the D-20. List separate computations for Lines 1 - 36 for each affiliate. The separate computation should reflect the elimination of intercompany transactions.

Explanation of terms

Business income

This is income from transactions and activities in the regular course of the taxpayer's trade or business. It includes income from tangible and intangible property if the acquisition, management and disposition of the property are part of the taxpayer's regular trade or business operations. Income of any type — manufacturing income, compensation for services, sales income, interest, dividends, rents, royalties, gains, operating and non-operating income from any class or from any source — is business income if it is from transactions and activities occurring in the regular course of a trade or business. Whether income is business or non-business depends on the underlying transactions and activities — the elements of a particular trade or business. In general, all transactions and activities that depend on or contribute to the operation of your economic enterprise as a whole constitute your trade or business. Transactions and activities are those arising in the regular course of business and constituting integral parts of the trade or business.

Commercial domicile

The principal place from which you direct or manage your trade or business.

Compensation

Wages, salaries, commissions and other forms of remuneration paid or accrued to employees for personal services.

Non-business income

All income except business income.

Transportation company

Any business engaged in transporting persons, goods, or property of others for hire.

Sales

All gross receipts, including dividends, interest and royalties, which are not required to be allocated.

Taxable in another state

For purposes of allocating and apportioning income among DC and other jurisdictions, you must be subject to:

- a net income tax, a franchise tax measured by net income;
- a franchise tax for the privilege of doing business; or
- a corporate stock tax in that other state.

General Instructions

IMPORTANT**Special rules on depreciation**

You may not claim 30 or 50 percent bonus depreciation or additional expenses allowed in IRC §179 for DC tax purposes. For federal tax purposes, businesses are eligible to deduct additional bonus depreciation and §179 expenses. OTR does not allow additional depreciation or additional expenses for IRC §179. DC limits §179 expense deductions to \$25,000 (\$40,000 for QHTCs).

Office of Tax and Revenue rulings

On July 1, 2002, the Office of Tax and Revenue (OTR) announced that it was reviewing rulings related to certain DC taxes. These included: income tax; franchise tax; personal property tax; sales tax; gross receipts tax; and employee withholding tax. The review did not include: excise tax; real property; or tax-exempt status rulings.

From July 1, 2002 – December 31, 2002, OTR reviewed letter rulings and any OTR rulings submitted by taxpayers who had received rulings and intended to use them for tax years beginning after December 31, 2002. Generally, rulings not submitted to OTR were revoked as of December 2002. Direct any questions to OTR, General Counsel at (202) 442-6500 or by email to OTRRuling@dc.gov.

Net operating loss (NOL) carrybacks

For federal tax purposes, businesses are allowed to carry back a NOL to each of the five tax years before the tax year of the loss. DC does not allow NOL carrybacks. Do not claim a carryback for DC tax purposes.

Amended returns

You must use the Form D-20 for the year you are amending. If the return is for 2001 or later, fill in the Amended Return oval and complete the Tax Year Ending box. Attach a detailed statement of adjustment(s). Note: Form D-2030X is obsolete for tax years after 2000.

If the IRS adjusts your federal return or if you file an amended federal return, you must file a separate amended DC return within 90 days. If the federal adjustment results in a DC tax refund, you must file for the refund within 180 days.

Mail the amended return and attachments to the Office of Tax and Revenue, PO Box 601, Washington DC 20044-0601.

Refund offset

If you have other DC tax liabilities, we may apply all or part of any overpayment to offset them.

Estimated tax payments

A corporation must file a declaration of estimated franchise tax if it expects its DC franchise tax liability to exceed \$1000 for the taxable year. See the Form D-20ES estimated franchise tax for corporations booklet for details. You will be automatically assessed a penalty for any underpayment of DC estimated tax.

Corporate tax rate and minimum tax

The tax rate is 9.975 percent on your “total District taxable income” from line 36. The minimum tax due is \$100, even if you have a loss.

Incomplete forms will delay processing

Complete all items on the Form D-20, otherwise, OTR will send the return back to you.

Taxable year beginning and ending

Enter your taxable year beginning and ending dates in the areas provided on page 1. It can be either a calendar year or a fiscal year. If this is your final return, also fill in the appropriate oval on page 1.

NAICS Business Activity Code

Please refer to the FR-500, Combined Business Tax Registration Application for a listing of business codes. You may also visit our website — www.cfo.dc.gov/otr to view FR-500 and the business activity codes. Please fill in this information on page one of your return.

All entries on the return and attachments are dollars only

Enter only whole dollar amounts on the tax forms and schedules. Do not enter cents.

Help us identify all of your forms and attachments

Write your FEIN, tax period, business name and address on any statements submitted with the return or filed separately. The FEIN is used for tax administration purposes only.

Signature and verification

An authorized officer of the corporation must sign the return. A receiver, trustee, or assignee must sign any return that he/she is required to file for the corporation. Any person who prepared the return for compensation must also sign the return and provide the necessary identification numbers. If a firm or corporation prepares a return, it should be signed in the name of the entity. The signature requirement does not apply when a taxpayer's regular employee prepares the return.

Forms

An easy and fast way to get forms is by downloading them from our website. Go to www.cfo.dc.gov/otr, then click on Taxpayer Service Center, then click on Tax Forms and Publications.

Tax fraud hotline

Anyone suspecting tax fraud is encouraged to report this activity to the Tax Fraud Hotline at 1 800-380-3495 or by email at TaxFraudHotline@dc.gov.

Specific Instructions

Negative amounts

If you enter a negative amount on a line, fill in the oval to the left of the entry where it states: “Fill in if minus”.

Allocation and apportionment required

Any corporation carrying on a trade or business in DC and other jurisdictions must apportion its business income among DC and the other jurisdictions.

Apportion DC net income from trade or business activities using the appropriate apportionment formula. See D-20, Schedule F.

All non-business income must be allocated. See below.

Non-business income allocation**Non-business income**

Allocate items of non-business income to DC. The following gains and losses from sales or other dispositions are allocated to DC:

- real property located in DC (other than realty used in the trade or business whether held for sale or otherwise)
- tangible personal property (other than any tangible personal property used in the trade or business whether held for sale or otherwise) if:
 - the property had a situs in DC at the time of sale; or
 - your principal place of business is in DC and you are not taxable in the situs state.
- intangible personal property (other than intangible personal property of any kind used in the trade or business whether held for sale or otherwise) is allocable to DC if the taxpayer's principal place of business is in DC.

Allocate net rents and royalties from real property located in DC to DC.

Allocate non-business interest and dividends derived from sources in DC to DC unless specifically excluded from tax and subject to apportionment as business income.

Allocate to DC, non-business rents and royalties from patents, copyrights, trademarks, service marks, secret processes and formulas, franchises and other like property (if not used in the trade or business). These royalties are allocated according to the patent's location or use, or where the copyrighted material is published or used. If DC is the principal place of business of a corporate entity, not subject to tax anywhere else, then the rent or royalty income is allocable to DC.

Income from the sale of tangible personal property to the United States Government by a corporation that has its principal place of business outside DC is income from DC sources if the property is delivered from outside DC for use in DC.

All other non-business income derived from sources in DC is allocable to DC.

Where income is allocable among DC and other jurisdictions allocate all expenses, losses, and other deductions incurred in the production of the income in the same way. Losses incurred in the production of non-business income are allowable if profits from the transaction would be taxable.

Gross Income**D-20, page 1, line-by-line****Line 1 Gross receipts, minus returns and allowances**

Enter the total gross receipts from sales and operations, minus returns and allowances.

Line 2 Cost of goods sold and/or operations

Enter the figure from Schedule A, Line 7. If the production, manufacture, purchase, or sale of merchandise is an income-determining factor in the trade or business, you must take inventories of merchandise at the start and end of the tax year. You may value them at cost or cost or market, whichever is lower; or by another IRS-approved method. You must continue to use the inventory method you choose until you get permission from OTR to change. If the inventories do not agree with the balance sheet figures, attach a statement explaining the reason for the differences.

Cost of operations (where inventories are not an income-determining factor): If the amount entered on Line 2, page 1, includes an amount associated with the cost of operations, attach a detailed statement showing: (1) salaries and wages; and (2) other costs in detail.

Line 3 Gross profit from sales and/or operations

Line 1 minus Line 2. Enter the result on Line 3.

Line 4 Dividends

Enter the total of all dividends reported on Schedule B, Page 3. Do not include Subpart F income (as defined in IRC §952); and dividends from wholly-owned subsidiaries.

Include on Line 29(a) all dividends from sources outside DC that are not trade or business income. Dividends received by corporations, financial institutions, or investment firms are business income not subject to allocation. Do not include interest paid on obligations or securities issued by the United States or its instrumentalities, if it is non-business income.

Dividends received from the following corporations with their principal place of business in DC are non-business income:

- Corporations subject to this franchise tax;
- Insurance corporations, including bonding companies and real estate title insurance companies; and
- Banks, if the bank dividends were paid to a bank-holding company.

Line 5. Interest

Enter all interest which the corporation received or is credited with during the tax year, including interest paid on obligations of a State, Territory of the United States, or any of their political subdivisions, except those of DC.

Exclude interest income on obligations or securities issued by the United States or its instrumentalities if it was included in federal gross income.

Interest received by a corporation not engaged in a trade or business in DC is not considered income from DC sources if the interest is from one of the following organizations with a principal place of business in DC:

- Corporations subject to this franchise tax;
- Insurance corporations, including bonding companies and real estate title insurance companies; and
- Banks, if the bank dividends were paid to a bank-holding company.

Report this non-business interest income on Line 29(a). When interest income is related to trade or business activity carried on or engaged in, in DC enter it on Line 5, do not enter it on Line 29(a).

Line 6 Gross rental income

Enter the gross amount you received from real or personal property rental.

Enter rental income related to a trade or business on Line 6, do not enter it on line 29(a).

Note: DC does not allow either the 30 or 50 per cent federal bonus depreciation allowed under federal law. If you claimed this bonus depreciation on your federal return, reduce the depreciation you claim on the D-20 by that amount. Attach a computation showing that your DC claimed depreciation does not include the bonus depreciation and that the basis of the depreciated property for DC tax purposes has not been reduced by the additional bonus depreciation amount. DC also does not allow the additional IRC §179 expenses. If you claimed these expenses on your federal return, reduce the expenses taken on your D-20 by that amount.

Line 7 Royalties

Report royalty income and related expenses in the same manner as rental income and rental expenses. Royalties from patents you developed from the licensing of processes or a trade name and sales of know-how are business income.

Line 8(a) Net Capital Gain (Loss)

Capital gains or losses are treated in the same manner as they are for federal corporation income tax purposes. (See detailed instructions on federal Schedule D, Form 1120, Corporation Income Tax Return.) IRC §1231 gains are business income.

Note: Since the additional federal bonus depreciation is not allowed for DC tax purposes, recalculate the capital gain/loss you reported on your federal return without taking into account the additional federal bonus depreciation. Attach a statement showing the adjustment.

Line 8(b) Ordinary gain (loss) from Part II, Federal Form 4797

Enter the total ordinary gain (or loss) from federal Form 4797 Sales of Business Property. Attach a copy of your Form 4797 to your D-20 return.

Line 9 Other Income

Enter the total income not reported elsewhere on the return; attach a detailed statement. Enter International Banking Facility income on Lines 9 and 29(a); attach a detailed statement listing the source of this income. Do not enter other income related to a trade or business on Line 29(a); enter it on line 9.

Line 10 Total gross income

Add lines 3 through 9.

Deductions

You are allowed ordinary and necessary deductions if the income they are related to is subject to the DC corporation franchise tax; and subject to IRC limitations either directly or through the inclusion of this income in the determination of the DC apportionment factor.

Line 11 Compensation of officers

Enter the total compensation for all officers shown on Schedule C, page 3. Include compensation for services rendered in any other capacity, except salaries connected with the production of income from U.S. Treasury securities included on Line 29(b).

Line 12 Salaries and wages

Enter all salaries and wages not deducted elsewhere on the return

(except salaries connected with the production of income from U.S. Treasury securities). Do not include wages used to compute the Economic Development Zone incentives credit.

Line 13 Repairs

Enter the cost of incidental repairs, including labor, supplies, and other items that do not add to the value or appreciably prolong the property's life. You may charge to a capital account, expenditures for new buildings, machinery, equipment and/or permanent improvements or betterments that increase the value or appreciably prolong the life of the property.

Line 14 Bad debts

Report bad debts in the same manner as you report them for federal tax purposes. Attach a copy of the information you submitted with your federal return.

Line 15 Rent

Enter rent paid or accrued for business property in which the corporation has no equity. If any property is leased from an affiliated corporation, or from one of the stockholders, give the lessor's name and address, rent paid and a description of the property rented.

Line 16 Taxes

Any taxes reported on federal Form 1120 must be reported on Schedule D, page 3 of Form D-20. Do not include these taxes:

- Income and excess profit taxes;
- DC franchise tax; and
- Taxes assessed for local benefits of a kind tending to increase the value of the property assessed.

Line 17 Interest

Enter interest paid or accrued on business debt. If any interest income is not taxable, then the related interest expense is not deductible.

Line 18 Contributions or gifts

Enter contributions or gifts made in the tax year if no part benefits any private stockholder or individual. This deduction may not exceed 15% of the net income of the business (Line 26) before deductions are made. Attach detailed information about contributions and gifts in a separate statement. Contribution and gift carry-overs are *not* allowed.

Line 19 Amortization

Enter the amortization amount from your federal Form 4562 Depreciation and Amortization. Attach a copy of your Form 4562.

Line 20 Depreciation

Enter the depreciation amount from your federal Form 4562. The depreciation allowance does not apply to inventories, stock-in-trade, or land. You must use the same depreciation method on your DC return as that used on your federal return. Attach a copy of your Form 4562 to your Form D-20.

Note: If you claimed the additional federal bonus depreciation or additional IRC §179 expenses on your federal return, do not claim that amount on your D-20. In addition, do not reduce the basis of the depreciable property for DC tax purposes by the additional federal bonus depreciation. Attach a statement showing your computation.

A QHTC may reduce certain depreciable assets by the lesser of \$40,000 or the property's actual cost, including leasehold improvements described in IRC §179(d)(1).

Line 21 Depletion

Enter the depletion amount shown on your federal form. Attach an explanation of how you determined the depletion allowance.

Line 22 Advertising

Enter the amount paid or incurred during the year for ordinary and necessary advertising that has a reasonable relationship to the business activities.

D-20 page 2, line-by-line**Line 23 Pension, profit-sharing plans**

Enter the amount of contributions made to employees' pension, profit sharing, stock bonus and annuity plans. These are deductible to the same extent as they are on your federal return.

Line 24 Other deductions

Enter other deductions that are allowed by law and connected with the business of income production, subject to the corporation franchise tax. Enter deductions connected directly and indirectly with non-business income production, as well as International Banking Facility deductions, on Line 29(b). Identify and explain them in a detailed attachment.

Note: Relocation costs incurred are not deductible if QHTC credits for relocation are taken.

Line 26 Net Income

Subtract Line 25 from Line 10; enter the amount on Line 26.

Line 27 Net operating loss deduction

Enter any District net operating loss carried forward from a year before 2000. DC does not allow net operating loss carrybacks.

Line 28 Net Income after net operating loss deduction

Add Lines 26 and 27 and enter the result on Line 28. Also enter the amount on Line 35, if it is entirely from a DC trade or business.

Line 29(a) Non-business income

Enter non-business income on Line 29(a).

Line 29(b) Expense related to non-business income

Enter expenses related to non-business income. Include expenses connected with the purchase or production of income from U.S. Treasury securities on Line 29(b). Attach a detailed explanation of income and expense allocation.

Lines 30-34

Follow the instructions on the form.

Line 35 Apportioned NOL deduction

Enter any DC apportioned net operating loss carry-forward occurring in the year 2000 or later.

Line 38

- If line 38(b) includes any credit brought forward from a year before 2002, attach an explanation to your D-20 return.
- Line 38(d) cannot be applied against the minimum tax.

Lines 39-43

Follow the instructions on the form. **NOTE:** the tax due after deducting credits must be at least \$100. The availability of a QHTC credit does not eliminate the requirement to pay the \$100 minimum tax.

Line 44 Retraining costs credit

Report this credit from Form D-20 CR, Business Tax Credits, Part G, line 5. See our website, www.cfo.dc.gov/otr for a copy of this form which is in Publication FR-399, Qualified High Technology Companies.

Line 45 Credit to 2005 estimated franchise tax

Enter the amount of your refund you want credited to the year 2005 estimated franchise tax.

Line 46 Amount to be refunded

Add Lines 43 and 44; subtract Line 45 and enter the result on Line 46.

Form D-20 schedules**Schedule E – Reconciliation of the Net Income Reported on Federal and DC Returns**

Complete this schedule to explain any differences between the net income reported on your federal return and that reported on your D-20.

Schedule F – DC Apportionment Factor

Corporations engaging in a trade or business both in and outside DC must use property, payroll and sales as the three factor formula to apportion their business income. Corporations domiciled in DC and not subject to tax elsewhere must report 100% of their net business income as DC income and allocate 100% of their non-business income to DC.

Corporations carrying on a trade or business in DC and in other jurisdictions must apportion trade or business income to DC. Multiply the total income by a fraction. The numerator is the property factor plus the payroll factor plus the sales factor. The denominator is three, reduced by the number of factors having no denominator.

Financial institutions must use a two-factor formula, determined by multiplying the financial institution's base (net income for the tax year) by an apportionment fraction. The numerator is the sum of the payroll factor plus the gross income factor; the denominator is 2.

- **Property Factor**

- The property factor is a fraction; the numerator is the average value of real and tangible personal property you owned or rented in DC during the tax year. The denominator is the average value of all real and tangible personal property you owned or rented during the tax year. Do not include in the numerator or the denominator any property or portion of property, not used to produce business income.
- **Transportation companies**, in addition to that stated above, have a numerator which also includes the portion of the average value of vehicles, rolling stock, aircraft, all watercraft and other equipment used during the taxable period to transport persons and property both in and outside DC. This portion is determined by comparing the total miles per unit of equipment traveled in DC with the total mileage traveled everywhere by each class of property.
- **Railroad companies** – the classes of property are those you must report for DC personal property tax purposes (DC Code §47-1512).

For property used in any activities where the income from which is allocable or apportionable, you may use any method that properly reflects the portion of the average value used to arrive at the property factor. This is subject to the approval of OTR.

Property you own is valued at its original cost to you plus the cost of any additions and improvements you made. If you cannot determine your original cost or if the cost is zero, value the property at its market value when you acquired it. Property rented to you is valued at eight times

the net annual rental rate. This is the annual rental paid by the taxpayer minus any annual rental received by the taxpayer from sub-rentals, if the rental and sub-rental rates are reasonable. Net annual rental also includes amounts paid or accrued for property use or rental of facilities of another. This applies whether paid as rent, as reasonable compensation for use or under any other designation, pursuant to statutory enactment, lease, or rental agreement of any kind, contract, or otherwise. Do not include payments for leased property capitalized for federal tax purposes as rent. You may only include these payments in this factor to the extent of their capitalized value for federal tax purposes. If OTR determines that any net annual rental rate or sub-rental rate is unreasonable, or if a nominal or zero rate is charged, OTR may determine and apply a rate that reasonably reflects the property's rental value.

To determine the property's average value, average the value at the start and at the end of the tax period. You may use monthly or quarterly values during the tax period, if necessary, to properly reflect the average value of the property (subject to OTR approval).

- **Payroll Factor**

- The payroll factor is a fraction; the numerator is the total compensation you paid to or accrued for persons performing services in DC during the tax year. The denominator is the total compensation you paid or accrued everywhere during the tax year. However, do not include compensation paid or accrued to employees for personal services rendered in the production of non-business income in either the numerator or denominator. The value of compensation paid or accrued other than in cash is its fair market value on the date of payment or accrual. Do not include payments to independent contractors.

Transportation companies — the numerator of the payroll factor also includes the total compensation paid or accrued to employees employed on vehicles, rolling stock, aircraft, watercraft and other equipment you used during the taxable period to transport persons and property between DC and other jurisdictions. To determine this, apply the percentage computed (as described in the property factor) to the total compensation.

If compensation is paid or accrued for services the income from which can be allocated or apportioned, you may use any method that will properly reflect the portion of the average value used to arrive at the payroll factor. This is subject to the approval of OTR.

Compensation is paid or accrued in DC if:

- ♦ The individual's services are performed entirely in DC; or
- ♦ The individual's services are performed in DC and other jurisdictions, but the services performed outside DC are incidental to the individual's services in DC; or
- ♦ Some of the individual's services are performed in DC and:
 - (1) the base of operations is in DC or if there is no base of operations in DC, the place from which services are directed or controlled is in DC; or

- (2) the base of operations or place from which services are directed or controlled is not in DC, or in any state where some part of the services are performed, but the individual's residence is in DC.

Financial institutions — the payroll factor is a fraction; the numerator is the total the financial institution paid or accrued in DC as compensation. The denominator is the total compensation the financial institution paid or accrued everywhere during the tax year. Compensation is paid in DC if it is paid to an employee located or having a regular presence in DC. Any compensation paid to an employee located in a state where the financial institution is not taxable is treated as having been paid in DC, if the institution's principal office is in DC.

- **Sales Factor**

- The sales factor, except for transportation companies, is a fraction; the numerator is the taxpayer's total sales in DC during the tax year. The denominator is the taxpayer's total sales everywhere during the tax year.
- **Transportation companies** — the sales factor is a fraction; the numerator is the total revenue units the company first received as originating or connecting traffic at a point in DC. Add to this the total revenue units the company discharged or unloaded at a point in DC, upon termination of the transportation movement or transfer to a connecting carrier. The denominator is twice the total revenue units originated everywhere during the tax year. One ton of freight equals one revenue unit; ten passengers equal one revenue unit. If the company's revenue is predominantly from transporting passengers, you may use the number of passengers loaded and discharged, in place of originating and terminating tonnage.
- **Tangible personal property sales**, including sales to the U.S. Government, are considered to take place in DC, no matter where title is transferred, FOB point, or other sales conditions, if the property:
 - ♦ Is delivered or shipped to a purchaser in DC; or
 - ♦ Has an ultimate destination in DC, after all transportation (including the purchaser's) is complete; or
 - ♦ Is delivered or shipped from an office, store, warehouse, factory, or other storage place in DC to a destination outside DC — and you are not taxable in that state.
- Except for transportation companies, non-tangible personal property sales are considered to take place in DC if the income-producing activity or service is performed:
 - ♦ In DC; or
 - ♦ The proportion of the income-producing activity or service performed in DC is greater than that performed in any other jurisdiction, based on the performance cost.
- **Financial institutions** — the sales factor is a gross income factor being a fraction; the numerator is the financial institution's gross income in DC during the tax year. The denominator is the financial institution's total gross income during the tax year.
 - ♦ A financial institution whose commercial domicile is in DC and which is subject to tax in another jurisdiction, includes in the numerator of the DC income factor, any income the other jurisdiction

does not require to be included in the numerator of its income factor.

- If the predominant part of the secured property is or will be located in DC, then treat all interest, loan placement fees, discount, net gain, and other forms of gross income from each loan, secured primarily by real estate, as located in DC.
- If the loan originated in DC, treat all interest, loan placement fees, discount and net gain from unsecured loans, and loans secured primarily by tangible or intangible personal property, or any resulting interest as located in DC.
- For any financial institution whose commercial domicile is in DC, treat income from securities, investments, money market instruments, or any other source not required to be apportioned to outside DC, as located in DC. This income includes, but is not limited to, interest, dividends and net gains.
- Treat all fees, commissions, service charges and other forms of gross income from sales of depository or financial services as located in DC if the service is performed in DC. Include sales or services performed in two or more tax jurisdictions in the numerator of the jurisdiction where the most income-producing activity is performed, based on performance cost.
- If the property is located in DC, treat gross income from leases of tangible property as located in DC.
- If the financial institution's principal office is located in DC, then treat all income (previously described) that is located in a jurisdiction where the financial institution is not subject to tax as being located in DC.

General

If your use of the income allocation and apportionment rules results in a tax that does not fairly represent your tax liability on income from your trade or business or from non-business sources in DC, you may petition for, or OTR may require, if reasonable:

- a separate accounting, unless the entity is conducting a unitary business;
- exclusion of one or more of the factors;
- inclusion of one or more factors that reflect the extent of your trade or business in DC; or
- use of any other method to effect a fair income allocation and apportionment.

Supplemental Information (page 5 of Form D-20)

Provide all the information requested in this schedule.

Schedule G - Balance sheets (page 4 Form D-20)

Submit balance sheets for the start and end of the tax year. Conform them to the corporation's books and records and your federal return. Attach an explanation of any variation.

Schedule H-1 Reconciliation of income (loss) per books with income (loss) per return and H-2 Analysis of Unappropriated Retained Earning per Books (page 5 of Form D-20)

These schedules must conform to the corresponding schedules on the federal form filed for the corporation.

NOTE: If you filed a federal Schedule M-3 with your Form 1120, attach a copy to your D-20.

Economic Development Zone Incentives Credit

Supporting Documentation Required If you are claiming an Economic Development Zone Incentives (EDZI) credit against your DC franchise tax liability, you **MUST** attach to your return:

1. A copy of the DC Council resolution approving the qualification for any credits claimed;
2. A certification of eligible employees issued by the DC Department of Employment Services; and
3. A completed EDZI Credit Worksheet.

The EDZI Amendment Act allows a qualified business, under certain circumstances to take various credits against its franchise tax liability. (The maximum annual credit is \$7500.) A qualified business is one that is approved as qualified under Section 5 of EDZI by the DC Office of Economic Development. You **MUST** complete the worksheet below and include it with the other attachments to your return. The following credits are allowed under EDZI to qualified businesses:

1. A credit against the franchise tax in an amount equal to 50

percent of the wages of all certified employees who meet the requirements of Section 10(b) of EDZI;

2. A credit against the business' franchise tax in an amount equal to 50 percent of the insurance premiums attributable to all employees for whom it obtains employer liability insurance under the District of Columbia Worker's Compensation Act of 1979; and
3. A rent credit for lessors against the business' franchise tax. The credit allowed is the difference between the rental market value of the space leased to a licensed non-profit child care center and the actual rent stated in the lease agreement as indicated in the DC Council resolution approving the qualification of the business. A non-profit child care center is a child development center as defined in Section 10 of EDZI.

A credit carry forward for five years is available for any EDZI credit not used in a previous year. The maximum amount that may be claimed in any year is \$7500, including any carry forward.

Economic Development Zone Incentives Credit Worksheet (maximum annual credit is \$7,500)

Column 1 - Credit Category	Column 2		Column 3		Column 4
A. Certified employees wages	Total Wages \$		50% of Wages	Col. 2 x .50 =	\$
B. Certified (eligible employees) workers' compensation liability insurance premiums	Total Premiums \$		50% of Premiums	Col. 2 x .50 =	\$
C. Child care center rent (lessor).....	Rental market value	\$			
	Minus rent shown on lease agreement	\$			
	Total child care center credit.....				\$
	Total of Column 4 (if more than \$7,500, enter \$7,500)				\$
	Add any EDZI credit carry forward from a previous year				\$
	Total EDZI credit (enter on Line 38 (c), Page 2, D-20) (maximum \$7500)				\$

2004

D-20 Corporation
Franchise Tax Return

Important: Print in capital letters using black ink.

Federal Employer I.D. Number										Number of business locations										OFFICIAL USE																													
In the District:										Outside the District:																																							
Name of corporation																														Taxable year beginning MM/YY										Taxable year ending MM/YY									
Business address line #1																														Taxable year beginning MM/YY										Taxable year ending MM/YY									
Business address line #2																																																	
City																														State										Zip Code									
Mailing address line #1																																																	
Mailing address line #2																																																	
City																														State										Zip Code									

• READ INSTRUCTIONS BEFORE PREPARING RETURN •

READ INSTRUCTIONS BEFORE REPAIRING
(Allocate Non-Business Items, see instructions)

Enter dollar amounts only. If the amount is zero, *leave line blank*.

GROSS INCOME		DEDUCTIONS	
1	Gross receipts, minus returns and allowances	1	\$
2	Cost of goods sold (from Schedule A) and/or operations Attach statement.	2	\$
3	Gross profit from sales and/or operations Line 1 minus Line 2.	3	\$
4	Dividends From Schedule B.	4	\$
5	Interest Attach statement.	5	\$
6	Gross rental income	6	\$
7	Royalties Attach statement.	7	\$
8	(a) Net capital gain (loss) Attach copy of federal Schedule D. Fill in if minus: <input type="text"/>	8(a)	\$
	(b) Ordinary gain (loss) from Part II, federal Form 4797 Attach copy of your Form 4797. Fill in if minus: <input type="text"/>	8(b)	\$
9	Other income (loss) Attach statement. Fill in if minus: <input type="text"/>	9	\$
10	Total gross income Add Lines 3–9. Fill in if minus: <input type="text"/>	10	\$
11	Compensation of officers from Schedule C.	11	\$
12	Salaries and wages	12	\$
13	Repairs	13	\$
14	Bad debts	14	\$
15	Rent Do not take federal bonus depreciation or extra IRC §179 expenses.	15	\$
16	Taxes from Schedule D.	16	\$
17	Interest Attach statement.	17	\$
18	Contributions or gifts Attach statement.	18	\$
19	Amortization Attach copy of your federal Form 4562.	19	\$
20	Depreciation Attach copy of your federal Form 4562. Do not include additional federal bonus depreciation.	20	\$
21	Depletion Attach statement.	21	\$
22	Advertising	22	\$

Taxpayer Name: _____

Federal Employer I.D. Number: _____



0 4 0 2 0 0 1 2 0 0 0 0

ENTER DOLLAR AMOUNTS ONLY

DEDUCTIONS																					
23	Pension, profit-sharing plans	23	\$																	00	
24	Other deductions <i>Attach statement.</i>	24	\$																	00	
25	Total deductions <i>Add Lines 11–24.</i>	25	\$																	00	
26	Net income <i>Line 10 minus Line 25.</i>	26	\$																	00	
27	Net operating loss deduction <i>(Before year 2000.)</i>	27	\$																	00	
28	Net income after net operating loss deduction <i>Line 26 minus Line 27.</i>	28	\$																	00	
29	(a) Non-business income <i>Attach statement.</i>	29a	\$																	00	
	(b) Expense related to non-business income <i>Attach statement.</i>	29b	\$																	00	
	(c) 29(a) minus 29(b)	29c	\$																	00	
30	Net income subject to apportionment <i>Line 28 minus Line 29(c).</i>	30	\$																	00	
31	DC apportionment factor <i>From Line 5, column 3, Schedule F.</i>	31																			
32	Net income from trade or business apportioned to DC <i>Line 30 amount multiplied by Line 31 factor.</i>	32	\$																	00	
33	Portion of Line 29(c) attributable to DC <i>Attach statement.</i>	33	\$																	00	
34	Total taxable income <i>before</i> apportioned NOL deduction <i>Line 32 plus or minus Line 33.</i>	34	\$																	00	
35	Apportioned NOL deduction <i>(Losses occurring in year 2000 and later.)</i>	35	\$																	00	
36	Total District taxable income <i>Line 34 plus or minus Line 35.</i>	36	\$																	00	
37	TAX 9.975% of Line 36. <i>If less than \$100, enter \$100.</i>	37	\$																	00	
38	(a) Tax paid <i>if any, with request for extension of time to file or paid with original return if this is an amended return.</i>	38a	\$																	00	
	(b) 2004 estimated franchise tax payments	38b	\$																	00	
	(c) Economic development zone incentives credit <i>from worksheet</i>	38c	\$																	00	
	(d) QHTC credits <i>Do not apply against the minimum tax. Attach DC Form D-20CR.</i>	38d	\$																	00	
39	Add Lines 38(a), (b), (c) and (d). <i>Enter total.</i>	39	\$																	00	
40	Tax due <i>If Line 37 is larger, subtract Line 39 from Line 37.</i>	40	\$																	00	
41	Penalty \$ _____ Interest \$ _____	41	\$																	00	
	Total penalty and interest																				
42	Total due <i>Add Lines 40 and 41.</i>	42	\$																	00	
43	Overpayment <i>If Line 39 is larger, subtract Line 37 from Line 39</i>	43	\$																	00	
44	Retraining costs credit <i>Part G, Line 5, DC Form D-20CR. Do not include any amounts here that are included on Line 38(d).</i>	44	\$																	00	
45	Amount you want to apply to your 2005 estimated franchise tax	45	\$																	00	
46	Amount to be refunded <i>Line 43 plus Line 44 minus Line 45.</i>	46	\$																	00	

Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

Officer's signature _____ Title _____ Date _____ Telephone number of person to contact _____

Preparer's signature (if other than taxpayer) _____ Date _____ Firm name _____ Firm address _____

Preparer's FEIN, SSN or PTIN _____

If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval. ☐

Round cents to the nearest dollar. If an amount is zero, make no entry.

Schedule A - Cost of Goods Sold (See specific instructions for Line 2)			Schedule B - Dividends (See specific instructions for Line 4)		
1. Inventory at beginning of year.....	\$		NAME AND ADDRESS OF DECLARING CORPORATION	AMOUNT	
2. Merchandise bought for manufacture or sale.....					
3. Salaries and wages.....					
4. Other costs per books (attach statement)..... (additional federal bonus deprec. is not allowable)					
5. Total	\$				
6. Minus: Inventory at end of tax year.....					
7. Cost of goods sold (enter here and on Line 2, Page 1)	\$				
Method of inventory valuation:					
			Total Dividends		
			Minus deduction for Subpart F Income		
			Minus deduction for dividends received from wholly-owned subsidiary		
			TOTAL (enter here and on Line 4, Page 1)		
			\$		

Schedule C - Compensation of officers (See specific instructions for Line 11)						
Col. 1 Name, Address and SSN of Officer	Col. 2 Official Title	Col. 3 Time Devoted to Business	Percent of Corporation Stock Owned		Col. 6 Amount of Compensation	Col. 7 Expense Account Allowances
			Col. 4 Common	Col. 5 Preferred		
		%	%	%	\$	\$
		%	%	%		
		%	%	%		
		%	%	%		
		%	%	%		
TOTAL COMPENSATION OF OFFICERS (also enter on Line 11, Page 1)					\$	

Schedule D - Taxes (See specific instructions for Line 16)			
EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
	\$		\$
TOTAL (enter here and on Line 16, Page 1)			\$

Schedule E - Reconciliation of the net income reported on federal and DC returns			
1. Taxable income before net operating loss deduction and special deductions (Page 1 of your Federal corporate return)	\$	7. Total District taxable income reported (from Line 36, Page 2)	\$
UNALLOWABLE DEDUCTIONS AND ADDITIONAL INCOME		NON-TAXABLE INCOME AND ADDITIONAL DEDUCTIONS	
2. Income taxes (see specific instructions for line 16)		8. Net income apportioned or allocated outside DC	
3. DC income taxes and franchise taxes imposed by DC Revenue Act of 1947, as amended		9. Other non-taxable income and additional deductions - including NOL (itemize):	
4. Interest on obligations of states, territories of the U.S. or any Political Subdivision thereof		(a) _____	
5. Other unallowable deductions and additional income (itemize, include additional federal bonus depreciation and additional IRC § 179 expenses)		(b) _____	
(a) _____			
(b) _____			
6. TOTAL (Lines 1-5)	\$	10. TOTAL (Lines 7, 8 and 9)	\$

Schedule F - DC Apportionment Factor (See instructions under Form D-20 schedules)**Carry all factors to six decimal places**

	Column 1 TOTAL	Column 2 in DC	Column 3 Factor (Column 2 divided by Column 1)
Round cents to the nearest dollar. If an amount is zero, leave the line blank.			
1. PROPERTY FACTOR: Average value of real estate and tangible personal property owned or rented to and used by the corporation (Financial institutions do not complete this item)	\$ 00	\$ 00	.
2. PAYROLL FACTOR: Total compensation paid or accrued by the corporation	\$ 00	\$ 00	.
3. SALES FACTOR: All gross receipts of the corporation other than gross receipts from non-business income	\$ 00	\$ 00	.
4. SUM OF FACTORS: (Add Column 3)			.
5. DC APPORTIONMENT FACTOR: Line 4 divided by 3 if there are 3 denominators. If fewer than 3, divide Line 4 by the actual number. Note: Financial institutions using a two-factor formula should divide Line 4 by 2. (Enter the factor on Line 31, page 2, D-20.)			.

Schedule G - Balance Sheets**Beginning of Taxable Year****End of Taxable Year**

	(A) Amount	(B) Total	(A) Amount	(B) Total
ASSETS	1. Cash			
	2. Trade notes and accounts receivable			
	(a) MINUS: Allowance for bad debts			
	3. Inventories			
	4. Gov't obligations: (a) U.S. and its instrumentalities			
	(b) States, subdivisions thereof, etc.			
	5. Other current assets (attach statement)			
	6. Loans to stockholders			
	7. Mortgage and real estate loans			
	8. Other investments (attach statement)			
	9. Buildings and other fixed depreciable assets			
	(a) MINUS: Accumulated depreciation			
	10. Depletable assets			
	(a) MINUS: Accumulated depletion			
11. Land (net of any amortization)				
12. Intangible assets (amortizable only)				
(a) MINUS: Accumulated amortization				
13. Other assets (attach statement)				
14. TOTAL ASSETS				
LIABILITIES AND CAPITAL	15. Accounts payable			
	16. Mortgages, notes, bonds payable in less than 1 year			
	17. Other current liabilities (attach statement)			
	18. Loans from stockholders			
	19. Mortgages, notes, bonds payable in 1 year or more			
	20. Other liabilities (attach statement)			
	21. Capital stock: (a) Preferred stock			
	(b) Common stock			
	22. Paid-in or capital surplus (attach statement)			
	23. Retained earnings - Appropriated (attach statement)			
	24. Retained earnings - Unappropriated			
	25. MINUS: Cost of treasury stock	()		()
26. TOTAL LIABILITIES AND CAPITAL				

Schedule H-1 - Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1. Net income per books	\$	7. Income recorded on books this year and not included in this return (itemize)	\$
2. Federal income tax		Tax-exempt interest \$	
3. Excess of capital losses over capital gains . .			
4. Taxable income not recorded on books this year (itemize)		8. Deductions on this tax return and not charged against book income this year (itemize)	
5. Expenses recorded on books this year and not deducted on this return (itemize)		(a) Depreciation \$	
(a) Depreciation \$		(b) Depletion \$	
(b) Depletion \$		9. TOTAL of Lines 7 and 8	\$
6. TOTAL of Lines 1 through 5	\$	10. Income (line 28, page 1 of federal Form 1120) (Line 6 minus Line 9)	\$

Schedule H-2 - Analysis of Unappropriated Retained Earnings per Books

1. Balance at beginning of year	\$	5. Distributions: (a) Cash	\$
2. Net income per books		(b) Stock	
3. Other increases (itemize)		(c) Property	
		6. Other decreases (itemize)	
		7. TOTAL of Lines 5 and 6	\$
4. TOTAL of Lines 1, 2 and 3	\$	8. Balance at end of year (Line 4 minus Line 7) . .	\$

Supplemental Information

1. STATE OR COUNTRY OF INCORPORATION	2.(a) DATE OF INCORPORATION	2.(b) DATE BUSINESS BEGAN IN DC	3. IRS SERVICE CENTER WHERE FEDERAL RETURN WAS FILED FOR PERIOD COVERED BY THIS RETURN:
4. THE CORPORATION'S BOOKS ARE IN CARE OF	5. LOCATED AT		
6. During 2004, has the Internal Revenue Service made or proposed any adjustments to your federal income tax returns, or did you file any amended returns with the IRS? <input type="radio"/> YES <input type="radio"/> NO If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown in the General Instructions.			
		If you have already provided a detailed statement, enter the date it was sent. <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> MM/DD/YYYY	
7. Is this corporation affiliated with a partnership or another corporation? <input type="radio"/> YES <input type="radio"/> NO If yes, explain:			
8. Is this return made on the accrual basis? <input type="radio"/> YES <input type="radio"/> NO If no, indicate basis used: <input type="radio"/> Cash Basis <input type="radio"/> Other (specify)			
9. Did you file a franchise tax return with DC for the year 2003? <input type="radio"/> YES <input type="radio"/> NO If no, state reason			
10. Did you withhold DC income tax from wages paid to your DC resident employees during 2004? <input type="radio"/> YES <input type="radio"/> NO If no, state reason:			
11. Have you filed annual information returns, federal forms 1096 and 1099, pertaining to payment of dividends and interest for 2004? <input type="radio"/> YES <input type="radio"/> NO			
12. (a) Has the business been terminated? <input type="radio"/> YES <input type="radio"/> NO If yes, explain and give date:			
(b) Have you moved out of DC? <input type="radio"/> YES <input type="radio"/> NO			



2004 FR-128 Extension of Time
to File DC Franchise
or Partnership Return



Federal Employer I.D. Number	Social Security Number (if self-employed)	OFFICIAL USE	
Business Name		Taxable year beginning MM/YY	Taxable year ending MM/YY
Business mailing address line #1		Business mailing address line #2	
City		State	Zip Code

Submit this form with your payment of any tax due as shown on Line 6 below.

- 1** A 6-month extension of time to file until _____ 15, 2005, for the calendar year 2004, or a 6-month extension of time to file until _____, _____, for a fiscal year ending _____, _____, is hereby requested for the following return (fill in one):

☐ Corporation Franchise Tax Return,
Form D-20

☐ Unincorporated Business Franchise Tax Return,
Form D-30

☐ Partnership Return of Income,
Form D-65

ENTER DOLLAR AMOUNTS ONLY

- 2** Total Tax Liability for the Period
- 3** Estimated Franchise Tax Payments *(include any overpayment credit)*
- 4** Other payments
- 5** Total payments and credits *(Add Lines 3 and 4)*
- 6** Balance due *(Line 2 minus Line 5). Payment in full must be submitted with this form or your request will be denied. (Note: you will be subject to the failure-to-pay penalty and interest on any amount of tax due and not paid with this request.)*

2	\$																		00
3	\$																		00
4	\$																		00
5	\$																		00
6	\$																		00

PLEASE SIGN HERE	Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.		
CORPORATE SEAL	Taxpayer(s) signature(s) (See instructions)	Title	Date
PAID PREPARER ONLY	Preparer's signature (If other than taxpayer)	Date	
	Firm name	Telephone Number of Preparer	
	Firm address		

Make check or money order payable to the DC Treasurer. Include your FEIN (or SSN), "FR-128" and tax year on your payment.
Mail return and payment to: Office of Tax and Revenue, 6th Floor, 941 North Capitol St NE, Washington DC 20002-4265.

INSTRUCTIONS

Purpose

Use Form FR-128 to request a 6-month extension of time to file a Corporation Franchise Tax Return (Form D-20), an Unincorporated Business Franchise Tax Return (Form D-30), or a Partnership Return of Income (Form D-65).

When to file

The request for an extension of time to file must be submitted on or before the due date of the return.

Where to submit your request

Mail the completed FR-128 with your payment in full of any tax due to: Office of Tax and Revenue, 6th Floor, 941 North Capitol St NE, Washington DC 20002-4265. Be sure to sign and date the FR-128. Make your payment out to the DC Treasurer. On the payment include your FEIN or SSN, FR-128 and the tax year.

Note: If you are a Qualified High Technology Company please submit a completed DC Form QHTC-CERT with your extension request.

Extension of time to file

A 6-month extension of time to file will be allowed if you complete this form properly, file it on time and *PAY* the full amount of tax due shown on Line 6. When you file your return, attach a copy of the FR-128 which you filed. A separate extension request must be filed for each return. Blanket requests for extensions will not be accepted.

Federal extension forms

The Office of Tax and Revenue does not accept the federal application for an extension of time to file. **You must use Form FR-128.**

Additional extension of time

No additional extension of time to file will be granted beyond the 6-month extension unless the taxpayer is outside the continental limits of the United States. In this case, an additional extension of 6 months may be granted.

Signature

The request must be signed by:

- Corporations — any designated or authorized officer;
- Unincorporated businesses — any owner or member;
- Partnerships — any member; or
- Paid preparers — also provide your identification number

Note: Receivers, trustees in bankruptcy, or assignees that are in control of the property, business or organization must sign the request for extension.

**D-20 C**

Election to File a Consolidated Corporation Franchise Tax Return

Federal Employer I.D. Number

Taxable year: beginning MM/DD/YYYY

ending MM/DD/YYYY

Name of affiliated group

Telephone number

DC business address line #1

DC business address line #2

City

State

Zip Code

The above named affiliated group hereby elects to file a consolidated District of Columbia corporation franchise tax return. All members of the affiliated group understand and consent to the following as conditions of this election:

- The affiliated group must file a federal consolidated return pursuant to IRC §1501;
- Each member of the DC affiliated group must have gross income derived from sources in DC;
- The election to file a consolidated return is binding upon District filers for all subsequent years as long as the affiliated group remains in existence unless the Office of Tax and Revenue consents to a discontinuance;
- The election must be made by the due date (including any extension) for filing the DC Corporation Franchise Tax Return; and
- The affiliated group cannot include any DC corporation claiming Qualified High Technology Company tax credits/benefits.

Under penalties of perjury, I declare that the common parent corporation has authorized me to sign this form on behalf of all members of the affiliated group, and that I have examined this form and the information contained herein, and to the best of my knowledge and belief, it is correct and complete.

PRINT NAME HERE AND SIGN BELOW

SIGNATURE

TITLE

DATE



D-20 CS Authorization and Consent of Subsidiary Corporation to be Included in a Consolidated Corporation Franchise Tax Return

Each subsidiary must complete this form the first taxable year a consolidated return is filed. *Attach it to the consolidated return.*

FEIN (Subsidiary)	Taxable year: beginning MM/DD/YYYY		ending MM/DD/YYYY
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Name (Subsidiary)	Telephone number		
<input type="text"/>	<input type="text"/>		<input type="text"/>
DC business address line #1			
<input type="text"/>			
DC business address line #2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
FEIN of common parent corporation			
<input type="text"/>	<input type="text"/>		
Name of common parent corporation			
<input type="text"/>			

The subsidiary corporation named above authorizes its common parent corporation to include it in a consolidated return for the taxable year shown. The authorization also applies to each following taxable year, unless the Office of Tax and Revenue consents to a discontinuance.

Under penalties of perjury, I declare that the subsidiary named above has authorized me to sign this form on its behalf, that I have examined this form and the information contained herein, and to the best of my knowledge and belief, it is correct and complete.

<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature of corporate officer	Title	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of corporate officer (print or type)	Telephone number	

Purpose of Form

The common parent of an affiliated group that files a federal consolidated return may elect to file a DC consolidated return. The election by the common parent is effective only if accompanied by written consents to the election signed by each of the members of the affiliated group. This form is to be used by each of the subsidiary corporations included in the affiliated group to consent to the election made by the common parent. The consent form must be signed by an officer of each subsidiary in the affiliated group.

Elections for Taxable Years Beginning on January 1, 2001 or thereafter

The election must be made by the common parent by the due date, including any extensions, for filing the original return.

How to Make an Election to File a DC Consolidated Corporation Franchise Tax Return

- Complete a separate form for each subsidiary included in the DC affiliated group for the taxable year for which the election is made. The form for each subsidiary must be signed by an officer of that subsidiary.
- File all the completed forms (for each subsidiary included in the DC affiliated group) AND the tax return by the due date, including any extensions, for filing the original return.
- In taxable years after the election, any new member joining a DC affiliated group is required to complete this authorization. The completed form must be attached to the DC Form D-20 for the first taxable year in which the new member joins the DC affiliated group.

D-20 AG Affiliated Group Schedule

NOTE: READ INSTRUCTIONS ON BACK BEFORE COMPLETING THIS FORM

FEIN of common parent										Taxable year: beginning MM/DD/YYYY										ending MM/DD/YYYY									
<input type="text"/>										<input type="text"/>										<input type="text"/>									
Name of affiliated group																				Telephone number									
<input type="text"/>																				<input type="text"/>									
DC business address line #1																													
<input type="text"/>																													
DC business address line #2																													
<input type="text"/>																													
City																				State					Zip Code				
<input type="text"/>																				<input type="text"/>					<input type="text"/>				

[illegible]

AFFILIATED GROUP SCHEDULE INSTRUCTIONS

We are requesting information needed to identify each member of the DC Affiliated Group that is subject to the DC corporation franchise tax.

Attach a copy of federal Form 851, Affiliations Schedule, to your Form D-20.

File this schedule each year a DC consolidated corporation franchise tax return is filed.

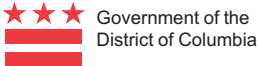
Column A – List parent and subsidiary corporations included in the DC Consolidated Franchise Tax Return.

Column B – Give the Federal Employer Identification Number (FEIN) for each corporation listed.

Column C – Indicate if each company listed filed a separate corporate franchise tax return with DC in the prior tax period.

Column D – Indicate if this company is new to the Federal Consolidated Group.

Column E – Indicate if the company received gross income from DC sources.



D-20 NOL Net Operating Loss Deduction for Loss Year

Complete a separate D-20 NOL for each business carrying forward an NOL.

Be sure to list NOLs before the year 2000 **separate** from those for 2000 and after.

Enter Year		Enter Year	
Before 2000		2000 and After	
Name of corporation		FEIN	
Year	DC net income/loss	Losses claimed	Losses remaining
Oldest loss year	\$	\$	\$
Subsequent year 1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
200__ Summary:		Total losses claimed \$	Total losses remaining (to be carried forward) \$

- Enter loss for years before 2000 on Line 27, page 2 of the D-20
- Enter loss from year 2000 and after on Line 35, page 2 of D-20